## Gaylord, Brent

**Subject:** FW: LTCP contact 1/8-2/7

**From:** Iyer, Sangamithra [mailto:SangamithraI@dep.nyc.gov]
**Sent:** Friday, January 05, 2018 1:53 PM
**To:** Jackson, Wayne <Jackson.Wayne@epa.gov>
**Cc:** Licata, Angela <AngelaL@dep.nyc.gov>; Meagher, Dylan <DMeagher@dep.nyc.gov>; Mahoney, Keith <kmahoney@dep.nyc.gov>
**Subject:** RE: LTCP contact 1/8-2/7

Dear Wayne,

It was a pleasure to speak with you this morning. Please give my congratulations to Brent on the good news. Below are the responses to this last set of questions.

1) The cost of the selected preferred alternatives specified in Table A are usually higher (around 10% – 20%) than the cost of those same selected alternatives specified in the LTCPs. EPA assumes that the Table A values are slightly higher because they include construction, engineering and other project development costs whereas the values from the LTCPs do not. Is this correct? Where there is a discrepancy between Table A and the LTCPs, should EPA assume the Table A values are the most up-to-date/accurate?

   Yes, the cost estimates aren't quite apples to apples. The LTCP cost estimates for the alternatives were computed using a costing tool based on parametric costing data. This approach provides an Association for the Advancement of Cost Engineering (AACE) Class 5 estimate (accuracy range of minus 20 to 50 percent to plus 30 to 100 percent), which is typical and appropriate for this type of planning evaluation. For the purpose of each LTCP, all costs were in present day dollars based on year of issuance. For the LTCP alternatives, capital construction costs were estimated. Annual O&M costs are then used to calculate the total or net present worth (NPW) over the projected useful life of the project. A lifecycle of 20 years and an interest rate of three percent were assumed resulting in a Present Worth Factor of 14.877.

   The costs provided in Table A were based on funding allocated in the DEP Capital Budget for LTCP projects in procurement and it includes design costs and construction management costs that were not part of the LTCP estimates. For projects in which the funding was not yet allocated, the LTCP PBC cost was used and escalated to midpoint of construction; additional funding for design and construction management was also included in the total project cost.

2) For Flushing Creek, the LTCP describes the preferred alternative as: "TI-010 Outfall Disinfection at Tank and Diversion Chamber 5 plus TI-011 Outfall Disinfection." However, Table A describes the preferred alternative for this LTCP as: "Floatables Control (Baffles) at Diversion Chamber 3 (Outfall TI-010) and Regulator TI-09 (Outfall TI-011)." Which description is correct?

   Both are included in the project. The projects will include underflow baffles for floatables control at TI Regulator-9 and TI Chamber 3 prior to the CSO tank. The project will also include chlorination/dechlorination for CSO Outfalls TI-010 and TI-011. The chlorine dosing points for TI-010 will be at Chamber 5 and at the influent to the CSO Tank with dechlorination downstream just prior to discharge out of outfall TI-010. The chlorine dosing point for TI-011 will be at regulator TI-09 and dechlorination will be downstream just prior to outfall TI-011.

3) Lastly, to follow up on our previous question regarding Superfund costs associated with the Gowanus LTCP and the Newtown Creek LTCP, how much of the costs specified in Table A for these LTCPs are superfund costs and how much are LTCP costs that NYC ratepayers will pay?
   All costs associated for these projects are DEP costs funded by our ratepayers.

Wishing you all the best in the New year,

Sangu

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**From:** Jackson, Wayne
**Sent:** Wednesday, January 03, 2018 1:23 PM
**To:** 'Iyer, Sangamithra '; 'Meagher, Dylan' <DMeagher@dep.nyc.gov>
**Cc:** Gaylord, Brent <Gaylord.Brent@epa.gov>
**Subject:** FW: LTCP contact 1/8-2/7

Hi Sangu and Dylan,

I'm standing in for Brent who just left with his wife to go the doctor to have their second son (very exciting). Brent had prepared one final (promise) list of 3 questions/clarifications that we are hoping that you folks can provide responses to by Friday before Sangu leaves for a while. Here they are:

4) The cost of the selected preferred alternatives specified in Table A are usually higher (around 10% – 20%) than the cost of those same selected alternatives specified in the LTCPs. EPA assumes that the Table A values are slightly higher because they include construction, engineering and other project development costs whereas the values from the LTCPs do not. Is this correct? Where there is a discrepancy between Table A and the LTCPs, should EPA assume the Table A values are the most up-to-date/accurate?
5) For Flushing Creek, the LTCP describes the preferred alternative as: "TI-010 Outfall Disinfection at Tank and Diversion Chamber 5 plus TI-011 Outfall Disinfection." However, Table A describes the preferred alternative for this LTCP as: "Floatables Control (Baffles) at Diversion Chamber 3 (Outfall TI-010) and Regulator TI-09 (Outfall TI-011)." Which description is correct?
6) Lastly, to follow up on our previous question regarding Superfund costs associated with the Gowanus LTCP and the Newtown Creek LTCP, how much of the costs specified in Table A for these LTCPs are superfund costs and how much are LTCP costs that NYC ratepayers will pay?

Again, many thanks for taking the time to help us understand the ins and outs of this process. As always your input is greatly appreciated. Wiushing you both a happy and healthy 2018.

Thanks,

Wayne
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